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CREDIT UNION BRANCH.

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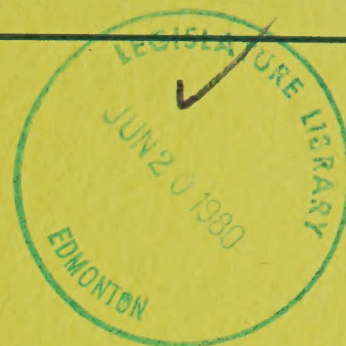
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# ANNUAL REPORT OF ALBERTA CREDIT UNIONS

FOR THE YEAR ENDING DECEMBER 31

## 1954

(WITH SUPPLEMENT SHOWING POSITION OF)  
(EACH CREDIT UNION AS AT APRIL 30/55)

Compiled by  
K. J. Robertson, Deputy Supervisor  
Co-operative Activities and  
Credit Union Branch





Officials As At June 1  
1 9 5 5

MINISTER  
Department of Industries & Labour

Honourable N. A. Willmore,  
Administration Building, Edmonton.

DEPUTY MINISTER  
Department of Industries & Labour

J. E. Oberholtzer,  
Administration Building, Edmonton.

SUPERVISOR,  
Co-operative Activities  
and Credit Union Branch

H. W. Webber, Room 616,  
Administration Building,  
Edmonton, Alberta.

DEPUTY SUPERVISOR,  
Co-operative Activities  
and Credit Union Branch

K. J. Robertson, Room 616,  
Administration Building,  
Edmonton, Alberta.

.....CREDIT UNION EXAMINERS.....

CHIEF EXAMINER  
of Credit Unions

H. E. Heath,  
128 - 7th Avenue West,  
Calgary, Alberta.

Examiner,  
Edmonton

J. E. Letts, Room 616,  
Administration Building, Edmonton.

Examiner,  
Edmonton

Ian E. Fraser, Room 616,  
Administration Building, Edmonton.

Examiner,  
Calgary

K. G. Dilley,  
128 - 7th Avenue West,  
Calgary, Alberta

Examiner,  
Calgary

Bernard Martin,  
128 - 7th Avenue West,  
Calgary, Alberta.





## INCORPORATIONS AND CANCELLATIONS

During 1954, 14 new groups were incorporated, a decrease of one over the previous year. No charters were cancelled in 1954 while 8 were cancelled the previous year. However, 11 Credit Unions were inactive at the year-end and cancellations in a number of cases will be forthcoming.

Since inception 281 Charters have been issued and 57 cancelled. Three other Credit Union groups are also chartered namely, THE CREDIT UNION LEAGUE OF ALBERTA, THE ALBERTA CENTRAL CREDIT UNION, LIMITED and THE UNION REGIONALE DE ST. PAUL. The latter mentioned group is relatively inactive.

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Our 224 Alberta Credit Unions can be classified according to Bond of Association as follows:

<u>TYPE</u>	<u>CLASSIFICATION</u>	<u>NUMBER</u>
1	Industrial	41
2	Governmental	31
3	Parochial	29
4	Associational	15
5	Urban Community	32
6	Rural Community	38
7	Urban/Rural Community	<u>38</u>
		<u>224</u>

Elsewhere in this report is a list of all Alberta Credit Unions and their "type" is shown in each case. Please refer to this page for the "key" which will enable you to connect each group with its classification. Naturally in a breakdown such as this there will be borderline cases where we have had to use our own judgement. For instance if a Credit Union serves a predominantly rural group it is shown as "type 6" even though it might have a few urban dwellers as members. In the case of Parochial Groups "3" and Associational Groups "4" we have also indicated their position whether urban, rural or a combination of both, i.e.,

A parochial group serving a rural  
area is shown as " 3-6 ".

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Our 224 Alberta Credit Unions can be classified according to Bond of Association as follows:

TYPE	CLASSIFICATION	NUMBER
1	Industrial	12
2	Governmental	31
3	Periodical	23
4	Associational	16
5	Urban Community	35
6	Rural Community	32
7	Urban/Rural Community	50
		201

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Refer to this page for the "key" which will enable you to contact each group with the classification. Naturally in a presentation such as this there will be certain cases where we have had to use our own judgment. For instance if a Credit Union serves a predominantly rural area it is shown as "Type 6" even though it might have a few urban members. In the case of "Associational Groups" and "Associational Groups" we have also indicated their position whether urban, rural or a combination of both. I.e., A periodical group serving a rural area is shown as "3-5".



WORK OF THE CREDIT UNION BRANCH

The work of the Branch which is primarily concerned with the supervision of The Credit Union Act covers many phases including:-

- - consideration of application for incorporation
  - - examinations of Credit Unions
  - - checking of monthly financial statements
  - - checking of monthly or quarterly Supervisory Committee Reports
  - - compilation of statistics and reports
  - - attendance at meetings of officers and members of Credit Unions
  - - assistance in every way possible in the orderly development of the Movement.
-





## EXAMINATIONS

This is the most important single function of the Branch and our examination service has been constantly improved and developed over the past few years. Our examination is designed to insure that an adequate system of accounting is maintained, that the financial position is sound and that the regulations are followed. A full report of the Examiner's findings is made to the officers together with his Conclusions and Recommendations. In a great many instances meetings with officers follow the examination and this practice is encouraged by the Branch.

Each examination contains an analysis of loans and security, a review of any delinquency problem, and the Credit Union's investments and liquid position.

Our examination service has resulted in very considerable improvement in the operation of Alberta Credit Unions and is being constantly expanded. In July of 1954 a system of verification of members' accounts was developed to augment the examination.

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## SUPERVISORY COMMITTEE REPORTING

The system inaugurated late in 1953 is working out very well. It requires that in addition to reports to this office at least quarterly, the Committee must also submit a comprehensive report to the Directors. This enables the Directors to take action where necessary to overcome any apparent weakness.

## MONTHLY STATEMENTS

Every Credit Union must report monthly and the financial statements are carefully checked by the Branch. The statement is drawn up in such a way that continuity must be maintained in order to balance. This monthly reporting keeps us well aware of each group's position and allows us to investigate any weaknesses that may be indicated.

## BONDING

A careful and constant check is maintained to see that all Treasurers and Officials are bonded and Legislative Amendments in 1955 will further increase the minimum requirements. In over 16 years of operation in Alberta only one defalcation has occurred resulting in a small claim being paid by a bonding company.

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S T A T I S T I C S

A S S E T S

The increase in Assets was \$1,574,325.62 or 20.2% compared to an increase of \$1,553,799.78 or 24.8% in 1953.

L O A N S

Loans in force increased by \$1,046,955.56 or 16.8% compared to an increase of \$1,435,073.09 or 30.0% in 1953.

S H A R E S

Share capital increased by \$1,474,715.80 or 22.6% while in 1953 the increase was \$1,357,317.48 or 26.3%.

D E P O S I T S

The increase in Deposits was \$28,340.11 or 4.6% while in 1953 Deposits increased by \$44,482.46 or 7.8%.

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T U R N O V E R

Total Turnover amounted to \$30,481,843, an increase of \$5,201,967 or 20.5% over the previous year's total.

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1. The first part of the report is devoted to a general survey of the situation in the country.

2. The second part of the report is devoted to a detailed analysis of the economic situation in the country.

3. The third part of the report is devoted to a detailed analysis of the social situation in the country.

4. The fourth part of the report is devoted to a detailed analysis of the political situation in the country.

5. The fifth part of the report is devoted to a detailed analysis of the cultural situation in the country.

6. The sixth part of the report is devoted to a detailed analysis of the military situation in the country.

7. The seventh part of the report is devoted to a detailed analysis of the foreign relations of the country.

8. The eighth part of the report is devoted to a detailed analysis of the future prospects of the country.



S T A T I S T I C S  
(General)

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	<u>1953</u>	<u>1954</u>
Number of Members	34,857	39,887
Loans Granted	\$ 6,266,231.08	\$ 6,913,091.48
Loans Since Inception	32,664,862.60	39,577,954.08
Loans Written Off	1,637.17	4,745.53
Loans Written Off Since Inception	18,827.31	23,572.84
% of Loans Written Off Since Inception	.057	.059
Average Members Shareholding	186.47	199.93
Average Members Savings	204.18	216.11
Average Asset per Member	223.77	235.02
Percentage of Loans to Assets	79.5	77.4
Percentage of Liquid Assets	18.7	20.8

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# COMPARATIVE CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1954

<u>A S S E T S</u>	<u>December 31/53</u>	<u>% Increase Decrease(*)</u>	<u>December 31/54</u>	<u>% Increase Decrease(*)</u>
Loans	6,210,935.42	30.0	7,257,890.98	16.8
Cash	702,512.34	9.8*	906,012.50	28.9
Investments	761,404.84	28.8	1,051,422.69	38.0
Furniture & Fixtures	27,527.71	27.1	36,830.07	33.7
Others	<u>97,644.19</u>	25.2	<u>122,193.98</u>	25.1
<u>TOTAL ASSETS</u>	<u>\$ 7,800,024.50</u>	24.8	<u>\$ 9,374,350.12</u>	20.2
<u>L I A B I L I T I E S</u>				
Shares	6,499,943.91	26.4	7,974,659.71	22.6
Deposits	617,083.73	7.7	645,423.84	4.6
Accounts Payable	149,166.26	50.8	69,096.01	53.7*
Education Fund	2,475.59	15.5*	3,765.34	52.1
Guaranty Fund	236,684.37	22.8	294,346.18	24.3
Undivided Earnings	94,483.82	18.9	141,846.96	50.1
Profit and Loss	<u>200,186.82</u>	27.4	<u>245,212.08</u>	22.5
<u>TOTAL LIABILITIES</u>	<u>\$ 7,800,024.50</u>		<u>\$ 9,374,350.12</u>	
LOANS SINCE INCEPTION	\$32,664,862.60		\$39,577,954.08	
NUMBER OF MEMBERS	34,857	14.4	39,887	14.5
NUMBER OF CREDIT UNIONS REPORTING	201		213	



THE EFFECT OF THE VARIATION OF THE TEMPERATURE ON THE RATE OF REACTION

THE RATE OF REACTION IS MEASURED BY THE CHANGE IN CONCENTRATION OF THE REACTANTS OR PRODUCTS

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THE EFFECT OF THE VARIATION OF THE TEMPERATURE ON THE RATE OF REACTION

Temp. (°C)	Rate of reaction (mol/l.s)	Temp. (°C)	Rate of reaction (mol/l.s)
10	0.001	30	0.002
20	0.002	40	0.004
30	0.004	50	0.008
40	0.008	60	0.016
50	0.016	70	0.032
60	0.032	80	0.064
70	0.064	90	0.128
80	0.128	100	0.256

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70	0.064	90	0.128
80	0.128	100	0.256

COMPARATIVE CONSOLIDATED SURPLUS STATEMENT

FOR THE PERIOD JAN.1 to DEC. 31

	<u>1953</u>	<u>1954</u>	<u>Increase or Decrease (*)</u>
<u>TOTAL SURPLUS</u>	\$267,207.39	\$348,924.70	81,717.31
<u>A L L O C A T I O N</u>			
Reserve Fund	53,011.31	69,674.86	16,663.55
Education Fund	2,196.71	1,929.96	266.75*
Dividends Paid	156,065.23	191,257.11	35,191.88
Interest Rebates	39,043.68	52,750.41	13,706.73
Honorariums	5,570.26	9,474.26	3,904.00
Miscellaneous	1,032.68	2,952.74	1,920.06
Undivided Earnings	<u>10,287.52</u>	<u>20,885.36</u>	<u>10,597.84</u>
	<u>\$267,207.39</u>	<u>\$348,924.70</u>	<u>\$81,717.31</u>

The above figures have been prepared from surplus reports received from 199 Credit Unions. Some of these have not as yet allocated any surplus for 1954. It is noted that 59 Credit Unions used earnings accrued from previous years to pay dividends, rebates, etc. It is surprising to note the decreases in past years in monies allocated for educational purposes.





GROWTH OF ALBERTA CREDIT UNIONS FROM 1945 to 1954

<u>YEAR</u>	<u>MEMBERSHIP</u>	<u>ASSETS</u>	<u>SHARES</u>	<u>DEPOSITS</u>	<u>LOANS</u>	<u>INVESTMENTS</u>	<u>RESERVE FUND</u>
1945	18,128	1,512,582	1,127,911	280,137	970,966	220,362	23,643
1946	20,766	1,997,187	1,538,544	300,918	1,435,412	193,084	40,460
1947	22,756	2,468,563	1,939,951	305,833	1,932,363	186,393	50,662
1948	24,761	3,221,964	2,881,899	395,619	2,498,908	234,276	72,438
1949	27,341	4,133,815	3,365,223	375,898	3,345,967	292,515	98,075
1950	27,836	4,607,245	3,829,552	309,760	3,815,102	301,712	120,740
1951	28,404	5,089,065	4,269,240	355,228	3,989,643	441,759	158,671
1952	30,472	6,246,225	5,142,626	572,601	4,775,862	591,045	192,661
1953	34,857	7,800,025	6,499,944	617,084	6,210,935	761,405	236,648
1954	39,887	9,374,350	7,974,660	645,423	7,257,891	1,051,423	294,346



CREDIT UNIONS CLASSIFIED BY TOTAL ASSETS  
AS AT DECEMBER 31

<u>YEAR</u>	<u>TOTAL NO.OF CREDIT UNIONS</u>	<u>LESS THAN \$1,000</u>	<u>1,001 10,000</u>	<u>10,001 50,000</u>	<u>50,001 100,000</u>	<u>100,001 and over</u>
1950	199	17	82	79	12	9
1951	189	9	78	77	14	11
1952	192	10	69	82	10	15
1953	201	9	68	79	27	18
1954	213	8	69	83	30	23

CREDIT UNIONS CLASSIFIED BY MEMBERSHIP  
AS AT DECEMBER 31

<u>YEAR</u>	<u>TOTAL NO. OF CREDIT UNIONS</u>	<u>LESS THAN 100</u>	<u>100 200</u>	<u>201 300</u>	<u>301 400</u>	<u>401 500</u>	<u>501 800</u>	<u>801 1100</u>	<u>1101 and over</u>
1950	199	97	65	23	7	3	2	2	-
1951	189	75	79	20	7	2	4	2	-
1952	192	78	68	29	8	4	3	1	1
1953	201	74	67	39	8	6	4	1	2
1954	213	73	70	38	16	7	6	-	3



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THE CREDIT UNION LEAGUE OF ALBERTA

This organization was incorporated pursuant to the provisions of Section 79 of The Credit Union Act and membership is open to all Credit Unions in Alberta.

Preliminary discussions led to a meeting held in Red Deer on October 25, 1942 at which time the proposed constitution was discussed. The meeting decided to proceed with organization and a provisional Board was elected. By October of 1943 the League's constitution was pretty well finalized and actual incorporation took place March 21, 1944. The League was issued Charter No. 142.

The League's primary objective is to promote and safeguard the movement in Alberta and provide various services to its members such as supplies, educational literature, bonding, insurance, etc. This organization is very active in the organizational field and nearly all applications for charters are submitted through the Managing-Director, Mr. S. O'Brien, 223 - 7 Avenue East, Calgary.

THE ALBERTA CENTRAL CREDIT UNION, LIMITED

The "Central" grew out of the Deposit and Loan department of the League and received its charter on May 3, 1947. It was felt that the development and potential of the movement made a separate organization essential.

The Central is a Credit Union made up of member Credit Unions and co-operatives and is subject to the usual provisions of The Credit Union Act. However, due to its broadening objectives it will likely require special Legislation before long.

The Central presently maintains close co-operation with the League and shares the same offices and Manager.

As at December 31, 1954 its Assets were \$605,522.00 with 155 members.

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1917 / 1918

1917 / 1918



Below is shown each Alberta Credit Union in order of Charter Number and grouped as to incorporation year. Please refer to the Second Page of this report for the "key" to type or bond of association each group serves. All figures are as at April 30, 1955.

CHARTER NUMBER	NAME OF CREDIT UNION	TYPE	NO. OF MEMBERS	LOANS SINCE INCEPTION	TOTAL ASSETS
<u>1 9 3 8</u>					
1	Mangan	5	330	300,957.50	92,792.80
2	Edmonton Civil Service	2	1,200	1,075,082.32	276,416.71
3	Edmonton Transit Employees	2	367	673,829.27	71,846.74
4	Inglewood	5	1,564	1,599,965.95	549,976.14
5	Bow	5	327	387,322.92	78,758.89
6	Evansburg	6	51	9,011.00	1,300.12
7	Employees Swifts	1	642	2,300,844.99	443,395.86
8	St.Patrick's	3-5	240	414,134.16	65,292.46
9	Redcliff	7	96	108,909.07	22,968.58
10	Clandonald	3-6	67	14,930.07	2,004.54
<u>1 9 3 9</u>					
11	Caisse Populaire St.Famille	3-5	287	574,296.80	115,794.01
12	Metaskiwin Pioneer	7	291	153,486.70	34,477.77
13	Burns Employees	1	489	2,071,622.48	326,709.45
14	Central Telephones	2	178	332,110.25	24,558.77
15	Caisse Populaire St.Helene	3-6	184	243,365.40	18,966.95
16	Picture Butte Sugar Makers	1	61	330,099.29	35,008.82
17	Calgary Federal Building	2	640	789,120.52	204,719.32
18	St.Paul Parish	3-7	663	826,793.48	201,494.11
19	St.Joseph's	3-5	237	276,166.66	76,933.17
20	Ogden	5	240	307,229.05	57,558.06
21	United Grain Growers	1	150	301,794.20	72,841.39
22	Burns Edmonton	1	343	972,444.55	204,148.44
23	Progressive	4-5	84	84,747.62	17,017.63
<u>1 9 4 0</u>					
24	Fourth Estate(Calg.Herald)	1	86	271,433.37	38,550.66
25	Edmonton Dom.Civil Servants	2	289	356,231.57	60,112.92
26	Calgary Prov.Civ.Servants	2	228	288,903.58	70,965.12
27	St.Joachim's	3-5	272	284,407.74	78,975.64
28	Raymond Sugar Makers	1	89	442,664.95	53,307.40
29	St.Louis	3-7	330	140,463.00	26,541.27
30	Edmonton Assoc.Grain	5	57	83,913.50	9,045.53
31	Morinville	7	633	611,140.96	339,324.85
32	Donnelly	3-6	202	62,528.83	6,466.21
33	Ste.Anne de Falher	3-6	196	141,939.99	13,527.49
34	Grandin	3-5	216	214,244.11	40,818.73
35	Beacon	5	235	318,924.76	48,557.57



CHARTER NUMBER	NAME OF CREDIT UNION	TYPE	NO. OF MEMBERS	LOANS SINCE INCEPTION	TOTAL ASSETS
<u>1 9 4 1</u>					
36	Edmonton Firefighters	2	420	751,700.80	203,782.37
37	Notre Dame de Lourdes	6	340	149,110.05	31,269.15
38	High River Pioneer	7	275	190,006.29	69,257.64
39	Calgary Terminal	1	1,610	1,818,846.00	511,526.25
40	Lethbridge Central	5	208	218,124.00	46,050.47
41	Calgary Transit System	2	214	380,003.20	50,749.82
42	Macleod	7	266	194,084.21	57,159.56
43	U.F.A. Co-op	4-7	116	153,798.56	20,087.96
44	Brooks	7	353	370,543.54	86,428.97
45	Calgary Firefighters	2	421	700,727.94	232,454.84
46	Goodridge	6	74	68,976.95	7,242.56
47	La Paroisse St.Vincent	3-6	112	97,952.45	15,283.48
<u>1 9 4 2</u>					
49	Northern Telephones	2	165	81,337.50	15,554.65
50	Raymond Community	7	83	83,510.06	12,402.73
51	C.N. Edmonton	1	307	214,785.09	42,922.12
52	Tilley and District	7	97	75,028.29	11,742.60
53	Edmonton U.I.C.	2	47	115,122.79	11,032.59
55	Lethbridge Civil Service	2	170	151,023.65	29,848.83
56	Medicine Hat Civic	2	144	89,090.90	10,516.65
57	Alberta Avenue	5	98	82,583.27	8,303.60
58	Mallaig	3-6	119	65,405.59	10,355.47
59	Ponoka Mental Hospital	2	150	184,215.74	44,693.71
61	Strome and District	7	60	18,632.36	1,759.07
63	Neerlandia	6	193	160,167.43	25,188.08
64	Calgary Civic Employees	2	322	242,645.10	54,995.88
66	Coaldale Mennonite	4-6	269	382,669.38	43,987.41
67	Medicine Hat C.P.R. Employ.	1	171	77,167.42	14,034.41
69	Rosemary	6	66	97,526.04	5,184.33
72	Mountain View	6	240	172,984.00	23,380.73
<u>1 9 4 3</u>					
76	Edmonton City Policemen's	2	100	146,694.35	31,734.71
77	Battle River	6	71	42,023.50	3,645.31
78	La Corey	3-6	60	22,131.53	1,026.54
80	The Albertan	1	51	44,916.67	4,476.70
81	Cherhill	6	109	76,641.64	5,437.00
83	King Edward Park	5	91	50,840.62	8,871.57
84	Lessard	6	44	17,338.00	3,980.47
85	Vermilon	7	123	29,979.27	4,899.73
88	Tofield and District	7	38	4,580.00	1,506.18
89	Stettler and District	6	38	32,577.00	3,067.26
90	Wainwright and District	7	341	550,486.50	183,293.01
91	Plamondon	6	156	54,295.00	8,094.74
92	St. Bernard de Lafond	3-6	199	227,261.76	29,503.27
93	Stony Plain & District	7	103	31,790.62	3,714.46
94	Edson	7	92	59,839.00	6,043.59





CHARTER NUMBER	NAME OF CREDIT UNION	TYPE	NO. OF MEMBERS	LOANS SINCE INCEPTION	TOTAL ASSETS
95	Barrhead	6	154	115,621.53	17,295.75
98	Regal	5	196	202,717.86	50,314.28
99	Public Service & Auto	2	61	35,969.03	5,793.73
100	Co-op	4-5	174	138,214.18	16,623.38
102	Calgary Dom.Civil Serv.	2	221	334,410.62	58,719.51
103	Tuxedo	5	744	398,354.45	150,407.45
106	Legal	7	255	317,872.47	95,089.53
107	Waskatenau	7	135	219,401.50	38,325.71
108	Rimbey	7	180	151,494.79	41,738.21
110	Sts.Martyrs Canadiens	3-6	207	53,464.50	15,039.91
113	Eckville District	7	348	494,501.37	131,616.90
115	Valleyview	6	113	63,532.53	6,765.33
116	Craigmyle and District	6	169	145,679.38	27,678.61
117	Edberg and District	6	68	38,766.95	4,126.02
119	Eagle Hill & District	6	74	19,867.00	2,527.75
121	Strathmore Community	7	58	41,645.00	7,980.12
122	Boyle and District	7	92	41,457.33	3,962.59
124	Warburg	6	62	16,779.80	1,320.59
126	Cardston	7	145	169,852.39	20,418.21
127	Andrew and District	7	280	410,997.51	85,275.88
<u>1 9 4 4</u>					
130	Rocky Mountain House	7	83	19,526.99	1,469.16
132	Dunvegan	1	133	208,763.88	37,362.26
134	Rolling Hills	6	138	149,120.88	23,714.68
136	St.Anthony's Parish	3-5	517	1,051,147.91	220,999.14
137	Sugden	6	45	13,314.00	2,119.58
138	Guy	6	43	2,632.00	384.36
139	Calgary Co-op Dairies	1	71	96,402.30	12,922.94
141	Edgerton and District	7	130	27,690.00	7,585.75
144	Mundare	6	95	10,286.00	911.67
146	Mission	5	220	224,265.10	42,807.69
147	Fincher Creek & District	7	206	119,685.96	23,124.89
149	Blairmore	5	458	543,806.51	153,878.19
150	North Star	6	143	152,566.65	24,804.05
151	St. Andrew's	3-5	223	133,100.31	42,982.91
153	St. Albert	7	332	338,590.96	87,887.20
156	Bridgeland	5	674	635,221.81	240,647.36
157	James River	6	69	18,156.81	2,337.81
159	Alberta Nitrogen Empls.	1	209	218,216.72	50,786.08
163	Rycroft	7	95	37,231.50	9,447.10
165	Red Deer Community	5	250	82,852.90	25,715.45
166	Edmonton Civic Empls.	2	363	508,659.63	100,507.19
167	Claresholm Community	7	92	116,402.31	35,609.45
<u>1 9 4 5</u>					
170	Jasper Place	5	157	148,990.61	31,633.45



CHARTER NUMBER	NAME OF CREDIT UNION	TYPE	NO. OF MEMBERS	LOANS SINCE INCEPTION	TOTAL ASSETS
171	Athabasca District	7	64	11,535.53	2,090.99
173	Bowness	5	133	43,285.99	10,740.99
175	St. Anthony's of Drumheller	3-5	107	46,864.35	9,847.25
176	Edmonton Blind	4-5	44	19,706.40	5,225.79
177	West End	5	278	116,224.13	41,119.16
179	Calgary General Hospital	2	170	145,465.29	37,240.49
180	Cluny	6	101	41,063.60	15,059.09
181	Sacred Heart	3-5	324	272,657.91	89,107.07
183	Duchess	6	44	31,572.50	3,105.15
184	Calgary U.I.C.	2	75	98,495.90	13,302.34
185	High Prairie	7	96	24,401.22	3,383.58
186	Lethbridge Civic	2	158	197,738.09	43,027.27
187	Riverhurst	6	71	9,010.00	1,998.15
<u>1 9 4 6</u>					
188	North Edmonton	5	111	31,967.09	2,803.46
189	Victoria	5	307	242,693.23	73,562.08
190	Oliver Employees	2	136	137,267.30	26,375.70
192	Cayley	6	110	68,140.00	27,354.84
193	Eaglesham	7	132	26,592.20	5,337.79
195	Edmonton U.G.G.	1	23	37,268.02	5,180.09
196	St. Vital de Beaumont	3-6	176	119,983.83	50,292.39
197	Local 987	4-5	122	175,135.00	43,678.81
198	La Glace	6	62	30,125.00	5,605.76
199	Edmonton Ukrainian Cath.	3-5	281	429,859.55	120,085.11
201	McGavin Ltd. Staff	1	87	118,074.38	21,937.37
<u>1 9 4 7</u>					
203	Editsa	2	112	283,231.54	24,715.26
206	Ponoka	7	299	264,839.50	81,720.10
207	Thorhild	7	99	33,025.00	5,022.01
208	Acorn	6	122	73,502.27	30,402.96
209	Cannat	1	90	38,675.64	7,060.39
210	Dutax	2	205	355,138.15	79,215.95
<u>1 9 4 8</u>					
211	Lethbridge Terminal	1	201	232,330.56	46,381.74
212	Cherry Grove	6	108	22,636.82	3,067.35
213	Kevisville	6	80	10,680.00	2,297.69
214	Grande Prairie	7	402	225,366.80	73,740.25
215	Hillcrest	5	176	126,247.71	28,475.66
216	Union Packing Employees	1	154	30,219.07	16,222.87
217	Ukrainian Progressive	4-5	177	82,688.30	31,217.91
218	Calstan	1	183	146,384.52	49,385.61
<u>1 9 4 9</u>					
220	Taber Sugar Makers	1	81	151,194.00	35,019.42
221	Coleman	5	108	69,745.59	18,370.19





CHARTER NUMBER	NAME OF CREDIT UNION	TYPE	NO. OF MEMBERS	LOANS SINCE INCEPTION	TOTAL ASSETS
223	Employees Canada Packers	1	338	386,829.96	121,057.02
224	Univ.of Alta.Employees	2	71	33,417.70	7,151.72
226	Mount Pleasant	5	180	96,619.19	36,482.46
227	Calord	4-5	117	64,510.63	16,327.20
228	St. Joseph's Parish	3-5	269	132,041.30	53,866.01
230	Univ.hospital Staff	2	168	150,606.08	52,851.26
233	Lethbridge Brewery Work.	1	85	53,462.61	17,538.50
234	Esso	1	134	65,394.29	12,041.27
<u>1 9 5 0</u>					
235	Hydro	1	388	379,824.51	148,588.82
237	Camrose	7	28	6,326.14	623.00
<u>1 9 5 1</u>					
239	A.C.W.A.	1	45	17,006.71	4,303.30
240	Sacred Heart Parish	3-5	136	46,804.00	20,546.88
241	A.C.T.	4	49	4,330.00	1,646.11
243	Bluffton and District	6	33	1,895.00	1,709.08
245	Forest Lawn & District	5	164	43,289.00	14,497.70
246	Edmonton Terminal	1	185	55,341.36	22,536.63
<u>1 9 5 2</u>					
247	Greywest	1	58	7,769.81	2,751.48
249	Edmonton Christian Ref.	3-5	255	53,826.97	25,906.82
250	South Calgary	5	249	41,523.80	19,613.30
251	Hat Legion	4-5	161	10,174.63	6,454.09
252	Jenkins Employees	1	95	13,713.35	6,843.56
253	Ogden Shops Employees	1	343	181,458.36	77,301.24
254	Dynamite	1	81	10,851.16	4,008.76
255	Canada Safeway(Calgary)	1	307	93,651.13	42,927.29
<u>1 9 5 3</u>					
256	Canada Safeway(Edmonton)	1	402	194,883.12	88,457.66
257	St.James	3-5	90	5,742.00	3,461.43
258	Lutheran Laymen's	3-5	38	11,960.00	5,742.49
259	Motor Car Supply Emp.	1	152	37,939.00	15,343.02
260	Edmonton Air Industries	1	55	4,935.00	2,442.66
261	Shell(Alta.)Employees	1	421	64,298.46	27,358.79
263	Medicine Hat Co-op	4-7	55	5,777.00	3,529.53
264	Edmonton Co-op Store	4-7	171	35,556.00	21,747.17
265	Bankview & Knobhill	5	69	3,500.00	2,718.13
266	Macleod Trail	5	128	6,711.20	4,267.01
267	Gainers Employees	1	120	37,405.62	19,267.13
268	Banff Park	5	169	24,510.14	15,118.65
269	Canadian Chemical	1	273	51,815.82	34,680.94
270	Grand Trunk	5	232	16,438.00	8,305.70



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FOR CREDIT UNION OFFICIALS ONLY

This section incorporating statistical information based on 1954 examinations is being made available to officials of Credit Unions only. It is hoped that it will serve to acquaint them with the situation on a province-wide basis. This is considered important as it will enable officers to evaluate our policies and recommendations and also allow them to judge the merits of recent Legislative changes.

Moreover in a movement such as this each group must be interested in the overall activities and soundness of all others. A single unfortunate experience can indirectly affect all Credit Unions.

The information that follows will indicate that our overall position while not deteriorating by any means, demands constant vigilance on the part of all officers:

THE IMPORTANT POINT IS  
THAT Y O U AS AN OFFICIAL  
MUST KNOW THE POSITION  
OF YOUR ORGANIZATION

CORRECTION CAN ONLY FOLLOW DISCOVERY

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R A T I N G S

A comparative survey of rating over the past three years is interesting though not indicative on the surface of improvement. Actually real improvement has taken place as will be explained after the following table:-

	<u>1952</u>	<u>%</u>	<u>1953</u>	<u>%</u>	<u>1954</u>	<u>%</u>
GOOD	31	17.2	28	16.5	35	19.2
SATISFACTORY	74	41.1	73	43.3	69	37.9
FAIR	43	23.9	41	24.3	45	24.7
WEAK	27	15.0	21	12.4	18	9.9
UNSATISFACTORY	<u>5</u>	2.8	<u>6</u>	3.5	<u>15</u>	8.3
	<u>180</u>		<u>169</u>		<u>182</u>	

Examiners tend to rate Credit Unions harder each time around until they are in the higher rating brackets in an attempt to bring about improvement and this has had a very good effect. It is also necessary to realize that while we try to standardize our thinking and methods with regard to ratings, each Examiner sees a similar situation in a little different light so that ratings will vary a fair amount. For this reason we try wherever possible to keep an Examiner on the same Credit Union over the years so that he can more readily ascertain improvement. What is discovered during the course of an examination and correctly brought out in the Conclusions and Recommendations section of the report to the officers is perhaps more important than the rating.

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DELINQUENT LOANS

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The following table will indicate that delinquent loans continue to be a problem:-

			<u>1954</u>	<u>1953</u>
No Delinquent Loans	- 22	Credit Unions	12.1%	10.1%
Less than 10%	- 54	" "	29.7%	31.5%
11 - 25%	- 46	" "	25.3%	27.4%
26 - 50%	- 40	" "	21.9%	18.5%
51 - 75%	- 11	" "	6.0%	9.5%
76% and over	- 9	" "	5.0%	3.0%

We are constantly attacking this matter in our reports and we believe we are getting results. However we have seen the need to seek Legislation that would prevent the payment of dividends if a Credit Union's delinquent position were such that it would be unwise to distribute any surplus. We believe that officers of any Credit Union with over 25% delinquency should be genuinely concerned and actively engaged in dealing with the problem.

A delinquent or overdue loan means a loan that is in arrears for more than two months in respect of either a payment of interest or repayment of principal or of any portion of either.

Boards of Directors should request frequent reports on this matter if they are to deal properly with delinquency. Credit Committees should be careful when dealing with applications to be certain that the applicant is not overestimating his ability to repay. This is perhaps the most common cause of delinquency.

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LARGE, LONG-TERM LOANS

The table below will indicate the position of Alberta Credit Unions at the end of 1954 as compared to the previous year:-

			<u>1954</u>	<u>1953</u>
No long-term loans	- 95	Credit Unions	52.2%	56.8%
Less than 25%	- 38	" "	20.9%	17.7%
26 to 50%	- 28	" "	15.4%	14.2%
51 to 75%	- 28	" "	9.9%	7.7%
76% and over	- 3	" "	1.6%	3.6%

It will be seen that there has not been too much change although we are certain that Credit Union officers are gradually realizing, after much urging from our Examiners, that their organizations should try to keep out of the large long-term loan field wherever possible. We are now getting a good deal of support from the movement in our efforts to curtail this type of loan. Long-term loans create many problems and result in service to the minority. Probably if a Credit Union were in excellent shape generally, it might be safe to permit not more than 25% of its capital to be used for long-term loans provided there was insufficient demand for ordinary loans. We feel confident that the coming years will see the trend away from large long-term loans continue.

Here again Legislation is now in effect which will allow us to restrict such loans should it become necessary.





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L I Q U I D I T Y

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Our policy of encouraging Credit Unions to pay proper heed to the matter of reserves continues. The situation is about the same as last year and although there remains room for improvement we are pleased with the response to our recommendations. The table below will illustrate the position of our Credit Unions at the end of 1954 as compared to the previous year-end:-

		<u>1954</u>	<u>1953</u>
Less than 5% Liquidity:	9 Credit Unions	5.0%	3.5%
6 - 10%	34 " "	18.6%	15.4%
11 - 15%	26 " "	14.3%	20.1%
15 - 25%	58 " "	31.9%	29.6%
over 25%	55 " "	30.2%	31.4%

Liquidity is rather a complex subject and we try at the time of examination to determine the liquidity requirements of each Credit Union. Liquidity for our purpose is the proportion of cash plus investments less any bills payable, to Assets. As a general recommendation we suggest 20 to 25% but this can only be considered adequate if the Credit Union's operations are conducted on a sound basis. If on the other hand Delinquent Loans are a problem, or if long-term loans are reducing the normal flow of loan repayments or if the capital structure is unbalanced, i.e., a minority of the members hold the majority of the capital, then it stands to reason that higher than usual liquidity is necessary for safe operation. Recent Amendments to the Standard By-Laws requires that 5% of capital be maintained apart from current cash as well as 25% of deposits if a chequing system or demand withdrawal system is in operation, and 10% if not. These reserves can be held in readily convertible investments.

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BILLS PAYABLE

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We have always encouraged Credit Unions to operate wherever possible on their own capital so far as loans to members are concerned. Quite a few groups have found from experience the folly of their Credit Union borrowing on a short-time basis to make loans to members on a longer-term basis. The overall situation has shown very considerable improvement during 1954. In fact despite an increase in Assets of over  $1\frac{1}{2}$  million the balance of "bills payable" at the year-end showed a decrease of 57.3% compared to the previous year-end.

Due to a recent amendment to Section 39, Credit Unions can now borrow to the full extent of their "capital investments" without the permission of the Supervisor.

In order to determine capital investments deduct from the amount of total investments:- (a) the amount of the Guaranty Fund; (b) 5% of Share capital, including endowment shares; (c) 25% of deposits if a chequing or demand withdrawal system is in operation or 10% if not. Deduct also the balance of any existing loan. In other words if statutory reserve requirements plus any existing loans are less than total investments, eligibility is established under Section 39(2). Eligibility will be interpreted to the nearest even hundred dollars, above or below, as the case may be.

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CAPITAL (SHARE) STRUCTURE

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This is a comparatively new problem and one that has grown as the Movement has developed. Until a few years ago officers could not see the need to control or limit the shareholdings of individual members and some were permitted to build up very large accounts. As might be expected the shareholdings of the average member grew slowly. The result has been that in nearly all Credit Unions except the newer ones, a small percentage of the membership holds the majority of the organizations capital. In many cases less than 10 per cent of the members hold 50 to 75 per cent of the Total Shares. This creates many difficult problems and it seems likely that we may have to consider amendments to our Standard By-Laws which would require Credit Unions to maintain reserves commensurate with their capital structure.

Our Examiners are presently making a survey of each Credit Union in order to determine the actual extent of this problem. At each examination now they calculate the gross amount in shares held by the 10% of the members comprising the largest shareholders. This amount is then calculated as a percentage of total share capital held by all members. Initial statistics on 17 Credit Unions serve to point out this problem by showing that on an average the top 10% own 50.5% of capital with a low of 28.2% and a high of 70%.

This is a difficult problem to solve but non-the-less one that requires study and attention by Directors. Section 28(b) of The Credit Union Act requires that the Board define the maximum individual shareholdings of its members.

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